

Message Text

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ORIGIN EB-07

INFO OCT-01 EUR-12 IO-13 ISO-00 AGRE-00 CIAE-00
COME-00 INR-07 LAB-04 NSAE-00 EPG-02 SP-02 STR-04
TRSE-00 FRB-03 OMB-01 L-03 /059 R

DRAFTED BY EB/FTD:WBREW:HM
APPROVED BY EB/FTD:CANGEVINE
COMMERCE - RLEVIN
LABOR - IKRAMER
STR - MBSMITH
EUR/EE - SFROMOWITZ
DESIRED DISTRIBUTION
COMMERCE, LABOR, STR, EUR/EE
-----200632Z 097450 /12
P R 200507Z MAY 77
FM SECSTATE WASHDC
TO AMEMBASSY BUCHAREST PRIORITY
INFO USMISSION GENEVA

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GENEVA FOR PHELAN

E.O. 11652: N/A

TAGS: ETRD, RO

SUBJECT: US/ROMANIAN TEXTILE AGREEMENT.
REF: STATE 110465
--- FOLLOWING COMMENTS ON DRAFT TEXTILE AGREEMENT WERE
MADE TO CORA, OF ROMANIAN EMBASSY, WHEN DRAFT WAS
PRESENTED ON MAY 13. PLEASE -- REVIEW THESE
POINTS WITH GOR.

A. U.S. IS NOT ABLE TO RELEASE SUITS PRESENTLY IN
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EMBARGO UNTIL AGREEMENT HAS BEEN SIGNED. HOWEVER,
U.S. UNDERSTANDS GOR DESIRE OBTAIN RELEASE OF THESE
SUITS ASAP AND ACCORDINGLY, MADE EVERY EFFORT
EXPEDITE PREPARATION OF DRAFT AGREEMENT.

B. CHARGES AGAINST FIRST YEAR LEVELS OF PROPOSED
AGREEMENT FOR PRODUCTS ADMITTED PRIOR TO DATE OF

AGREEMENT WILL BE MADE ON BASIS OF STATISTICS MAINTAINED BY U.S.-CUSTOMS BY DATE OF EXPORT, WHICH SHOW MORE THAN 85,000 SUITS IN CATEGORY 237 TO DATE. PRODUCTS ADMITTED SUBSEQUENT TO DATE OF AGREEMENT, INCLUDING EMBARGO ITEMS, WILL ALSO BE CHARGED TO FIRST AGREEMENT YEAR. FYI: AS GOR OFFICIALS AWARE,

IF SUITS ARE TRANSHIPPED AND DOCUMENTS CHANGED IN COUNTRY OF TRANSHIPMENT, DOCUMENTS MIGHT REFLECT DATE OF EXPORT FROM TRANSHIPMENT COUNTRY BUT COUNTRY OF ORIGIN WILL REMAIN ROMANIA. END FYI.

C. SPECIFIC NUMERICAL LIMITS BY AGREEMENT YEAR FOR CATEGORIES 120, 221 AND 237 INCLUDE ANNUAL GROWTH PER PARAGRAPH 4, AND FLEXIBILITY PER PARAGRAPH 5 OF DRAFT AND ARE AS SET OUT IN SUBPARAGRAPH 3 (E) OF DRAFT. NO ADDITIONAL GROWTH OR FLEXIBILITY IS AVAILABLE FOR THESE CATEGORIES. HOWEVER, CARRYOVER (EXCEPT FOR FIRST AGREEMENT YEAR) AND CARRY FORWARD (EXCEPT FOR FOURTH AGREEMENT YEAR) ARE PERMITTED. CARRYOVER AND CARRY FORWARD ARE TO BE COMPUTED AS A PERCENTAGE OF AN ANNUAL BASE THAT DOES NOT INCLUDE INTERCATEGORY FLEXIBILITY BUT DOES INCLUDE THE GROWTH THAT IS PART OF EACH YEAR'S BASE. THIS IS USUAL U.S. PRACTICE. FOR EXAMPLE, STATED PARA 3(E) LIMIT FOR CATEGORY 120 FOR 2ND AGREEMENT YEAR, INCLUDING 5 PERCENT INTERCATEGORY FLEXIBILITY, IS 88,022 UNITS; BASE IS 83,830 AND CARRYOVER AND CARRY FORWARD ARE TO BE COMPUTED AS PERCENTAGE OF THIS BASE. MAXIMUM CARRYOVER (IF LIMITED OFFICIAL USE

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AVAILABLE) PLUS CARRY FORWARD (6 PERCENT) WOULD EQUAL 9,221 ADDITIONAL UNITS FOR SECOND YEAR. CARRYOVER IS ONLY AVAILABLE FROM SHORTFALL IN PRECEDING YEAR AND DOES NOT APPLY WHEN UNADJUSTED LEVEL HAS NOT BEEN FILLED.

D. CONSULTATION MECHANISM (PARA SEVEN OF DRAFT) WITH RESPECT TO REQUESTS TO INCREASE NON-APPAREL GROUP LEVEL DIFFERS FROM THAT USED FOR REQUESTS TO EXCEED CATEGORY LEVELS. BECAUSE UNDER THE MFA MARKET DISRUPTION IS RELATED TO SPECIFIC PRODUCTS AND NOT TO GROUP OF PRODUCTS, WE HAVE INCORPORATED LANGUAGE FROM COTTON AGREEMENT IN RELATION TO CONSULTATION CATEGORIES. HOWEVER, GROUP MECHANISM IS NOT RELATED TO MARKET DISRUPTION AT THE CATEGORY LEVEL BUT TO BROADER MARKET PROBLEMS AND, THEREFORE, PROVISION OF MARKET INFORMATION IS NOT APPROPRIATE.

E. WITH REGARD TO SUBPARAGRAPH 6(C) OF DRAFT, U.S. DOES NOT VIEW CARRYOVER AND CARRY FORWARD AS APPLICABLE

TO CONSULTATION LEVELS. UNDER ALL U.S. BILATERAL TEXTILE AGREEMENTS, CONSULTATION LEVELS ARE ADJUSTED ONLY IF SUCH ADJUSTMENTS WOULD NOT CAUSE PROBLEMS OF MARKET DISRUPTION. PROPOSED DRAFT CONTAINS CONSULTATION MECHANISM PROVIDED IN COTTON AGREEMENT BUT

WE BELIEVE LANGUAGE MAY BE SUBJECT TO MISINTERPRETATION. ACCORDINGLY, WE WISH TO CLARIFY THAT INTENT OF LANGUAGE IN COTTON AGREEMENT AND MAN-MADE FIBER DRAFT AGREEMENT IS TO PROHIBIT USE OF CARRYOVER AND CARRY FORWARD TO EXCEED ANY CONSULTATION LEVEL. INCREASES IN CONSULTATION LEVELS SHALL ONLY BE IN ACCORDANCE WITH THE CONSULTATION PROCEDURES OF

PARAGRAPH 7 OR IN CASE OF COTTON AGREEMENT, PARAGRAPH 3(C). U.S. WOULD PREFER TO DELETE SUBPARAGRAPH 6(C).

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F. COVERAGE OF DRAFT AGREEMENT. DEFINITION IN SUBPARAGRAPH 11B, C IS DESIGNED TO BRING ALL COTTON, WOOL AND MAN-MADE FIBER TEXTILE PRODUCTS SUBJECT TO MFA UNDER COVERAGE OF COMBINED AGREEMENTS, WITH ALL ITEMS NOT SPECIFICALLY COVERED BY THE COTTON AGREEMENT BEING COVERED BY DRAFT AGREEMENT. USE OF WORD COTTON IN THIS PARAGRAPH IS NOT INTENDED TO SIGNIFY FURTHER COVERAGE BUT RATHER IS NECESSARY WITH REFERENCE TO DEFINITION OF TEXTILE PRODUCTS.

G. ADMINISTRATION OF AGREEMENT. U.S. RECALLED PROBLEMS IN ADMINISTERING AGREED LEVELS UNDER COTTON AGREEMENT AND INTERIM ARRANGEMENT ON SUITS AND NOTED OTHER POTENTIAL PROBLEMS. IN THIS REGARD DRAFT AGREEMENT DOES NOT REQUIRE U.S. TO ADMIT PRODUCTS WHICH HAVE BEEN EXPORTED IN EXCESS

OF AGREED CONSULTATION LEVELS. U.S. INTENDS TO ENFORCE AGREEMENTS EFFECTIVELY AND WILL DENY ENTRY TO SUCH SHIPMENTS OR, IF ENTRY PERMITTED, CHARGE SUCH SHIPMENTS TO AGREEMENT YEAR IN WHICH ADMITTED.

H. REF PARAGRAPH 11(A), USG EXPLAINED THAT REVISION OF CATEGORY SYSTEM WAS NEARING COMPLETION AND WOULD BECOME EFFECTIVE JANUARY 1, 1978 FOR ALL U.S. TEXTILE BILATERAL AGREEMENTS. NEW SYSTEM WILL NOT IMPAIR ROMANIAN ABILITY TO UTILIZE AGREED LEVELS.

I. USG WILL SUPPLY DRAFT VISA AGREEMENT AS REQUESTED BY DUMITRESCU AND CHIOVEANU IN GENEVA. VISA AGREEMENT'S PURPOSE IS TO PERMIT MORE EFFECTIVE

CONTROL OVER US IMPORTS COVERED BY AGREEMENT. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEXTILES, AGREEMENTS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Sent Date: 20-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: N/A
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Format: TEL
From: STATE
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t19770535/aaaabdqs.tel
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TAGS: ETRD, RO, US
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vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/bcac468d-c288-dd11-92da-001cc4696bcc
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